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https://dmas.virginia.gov

MEDICAID BULLETIN

Last Updated: 07/29/2022

Nursing Facility and Specialized Care Rate Updates; Fair Rental Value (FRV) Rates for New and Renovated Facilities; Institutional Hospice Reimbursement Changes Effective July 1, 2019

This bulletin informs providers about the following: Nursing Facility and Specialized Care rates updates, revisions to the determination of capital rates for new and renovated nursing facilities, reimbursement changes for hospice care delivered in an institutional setting, and the Medicaid impact of the implementation of the Patient Driven Payment Model (PDPM) for Medicare nursing facility reimbursement.

The inflation adjustment for State Fiscal Year (SFY) 2020 is 2.9% for Nursing Facility rates and 3.0% for Specialized Care rates. Details on the rate updates are provided below.

Nursing Facility Rates

In accordance with 12VAC30-90-44, Nursing Facility per diem rates received full inflation and have been updated for SFY 2020. Direct and Indirect Operating Price-Based Rates were inflated to SFY 2020. Capital or Fair Rental Value (FRV) rates for freestanding nursing facilities were calculated in accordance with 12VAC30-90-36 using the settled FRV Calendar Year (CY) 2018 report. Reimbursement for plant costs for hospital-based nursing facilities is based on depreciation from cost reports with provider fiscal years ending in CY 2017. Rates for Nurse Aid Training and Competency Evaluation Programs (NATCEP) are based on costs per day from cost reports with provider fiscal years ending in CY 2016 and inflated to the current rate year. Rates for Criminal Records Checks (CRC) are based on costs per day from cost reports with provider fiscal years ending in CY 2016 and are not inflated.

Specialized Care Facility Rates

In accordance with 12VAC30-90-264 prospective per diem rates for specialized care facilities have been rebased using cost reports with provider fiscal years ending in CY 2017. Facility costs and ceilings have been inflated to SFY 2020. Specialized care per diem costs are subject to pricebased operating and ancillary ceilings. Specialized care facilities in a freestanding nursing will be paid their FRV rate. Hospital-based specialized care facilities will be paid their plant costs based on depreciation from cost reports with provider fiscal years ending in CY 2017.

Capital Rates for New and Renovated Facilities

In accordance with Item 303.VVV.1 of the 2019 Virginia Acts of Assembly, per diem FRV rates for new and renovated facilities will be set prospectively using an occupancy schedule. This change is in lieu of a minimum occupancy requirement or actual occupancy. A nursing facility with an FRV report of less than 12 months will be considered a new facility. To qualify as a renovated facility, a nursing facility must submit documentation to support a capital cost increase of at least $3,000 per licensed bed. Qualified renovations are subject to approval by DMAS. Real estate taxes, property taxes and property insurance costs that do not reflect 12 months of costs will be annualized for capital rate setting. FRV rates for new or renovated facilities are subject to audit and may be adjusted using final data. Adjustments based on subsequent documentation or audit will be applied July 1st of the next rate year. This action is effective July 1, 2019. Regulatory changes are being made to reflect these requirements.

Hospice Care in Nursing Facilities

Effective July 1, 2019, providers will be paid 100% of the nursing facility price-based rate for hospice services provided in a nursing facility. This action is in accordance with Item 303.WWW of the 2019 Virginia Acts of Assembly. DMAS will issue a separate Medicaid Bulletin with more information on this reimbursement change and will update the hospice and nursing facility provider manuals.

Impact of Medicare's Implementation of the Patient Driven Payment Model (PDPM) Effective October 1, 2019, The Centers for Medicare and Medicaid Services (CMS) will implement the PDPM payment methodology for Medicare nursing facility reimbursement. DMAS will continue to use the Resource Utilization Group (RUG) IV Grouper 48 for Medicaid nursing facility reimbursement, and the implementation of Medicare PDPM will not alter Medicaid nursing facility reimbursement. Additional information regarding new processes for maintaining the RUGIV grouper will be provided in a future bulletin. Additional information on processing of Medicare crossover claims for Skilled Nursing Facilities (SNF) services will be provided in a future bulletin.

SFY 2020 Rates

This memo serves as the official notification that rates for SFY 2020 are posted on the DMAS website at http://www.dmas.virginia.gov/#/ratesetting. Corrections or revisions after July 1, 2019 will be noted at the bottom of the official rate sheet. If you have any questions regarding Nursing Facility or Specialized Care rates, please contact Sara Benoit at Sara.Benoit@dmas.virginia.gov or (804) 786-3673.

Medicaid Expansion

New adult coverage begins January 1, 2019. Providers will use the same web portal and enrollment verification processes in place today to verify Medicaid expansion coverage. In ARS, individuals eligible in the Medicaid expansion covered group will be shown as "MEDICAID EXP." If the individual is enrolled in managed care, the "MEDICAID EXP" segment will be shown as well as the managed

care segment, "MED4" (Medallion 4.0), or "CCCP" (CCC Plus). Additional Medicaid expansion resources for providers can be found on the DMAS Medicaid Expansion webpage at: http://www.dmas.virginia.gov/#/medex.

PROVIDER CONTACT INFORMATION & RESOURCES	
Virginia Medicaid Web Portal Automated Response System (ARS) Member eligibility, claims status, payment status, service limits, service authorization status, and remittance advice.	www.virginiamedicaid.dmas.virginia.gov
Medicall (Audio Response System) Member eligibility, claims status, payment status, service limits, service authorization status, and remittance advice.	1-800-884-9730 or 1-800-772-9996
KEPRO Service authorization information for fee-forservice members.	https://dmas.kepro.com/
Managed Care Programs Medallion 4.0, Commonwealth Coordinated Care Plus (CCC Plus), and Program of All-Inclusive Care for the Elderly (PACE). In order to be reimbursed for services provided to a managed care enrolled individual, providers must follow their respective contract with the managed care plan/PACE provider. The managed care plan may utilize different guidelines than those described for Medicaid fee-for-service individuals.	
Medallion 4.0	http://www.dmas.virginia.gov/#/med4
CCC Plus	http://www.dmas.virginia.gov/#/cccplus
PACE	http://www.dmas.virginia.gov/#/longtermprograms
Magellan Behavioral Health Behavioral Health Services Administrator, check eligibility, claim status, service limits, and service authorizations for fee-for-service members.	www.MagellanHealth.com/Provider For credentialing and behavioral health service information, visit: www.magellanofvirginia.com, email: VAProviderQuestions@MagellanHealth.com,or call: 1-800-424-4046
Provider HELPLINE Monday–Friday 8:00 a.m.-5:00 p.m. For provider use only, have Medicaid Provider ID Number available.	1-804-786-6273 1-800-552-8627